REPORT BY THE

Comptroller General

ORIGINAL

OF THE UNITED STATES

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31

Loss Of Experienced Staff Affects Conservation And Renewable Energy Programs

The fiscal year 1981 reductions in force and resignations occurring at the Department of Energy resulted in significant losses and shifts of staff administering Conservation and Renewable Energy Programs.

Program officials stated that major results were a loss of ability to provide adequate monitoring of State and Local Assistance Programs, high attrition and inability to fill vacancies due to Conservation and Renewable Energy R&D Programs' uncertain future, and loss of continuity in top management and staff in all programs.

GAO/EMD-82-100
JULY 19, 1982

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-208094

The Honorable Mark O. Hatfield
Chairman, Committee on Appropriations
United States Senate

Dear Mr. Chairman:

In response to your May 10, 1982, request, we are providing the results of our review of the staffing of the Department of Energy's Conservation and Renewable Energy Programs. The report contains (1) data on overall staffing trends for the Office of the Assistant Secretary for Conservation and Renewable Energy, (2) an analysis of staffing changes resulting from the fiscal year 1981 reductions in force and resignations in the Assistant Secretary's three major program offices and in the field offices administering these programs, and (3) an analysis of the implications these staffing changes have for the administration and management of these offices' programs.

Your request also raised two legal questions dealing with the adequacy of agency staffing levels for program administration. As agreed with your office, our Office of General Counsel will be providing a separate response to these questions.

Your office indicated that it desired the report for use in various upcoming congressional hearings involving the Department of Energy. Therefore, at the request of your office, we did not take the additional time needed to obtain agency comments on the matters discussed in this report.

As arranged with your office, we are sending copies of this report to the Secretary of Energy; the Director, Office of Management and Budget; and the chairmen of energy-related congressional committees. Copies will also be available to other interested parties who request them.

Sincerely yours,

Charles A. Bowsher

Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE CHAIRMAN,
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

LOSS OF EXPERIENCED STAFF AFFECTS CONSERVATION AND RENEWABLE ENERGY PROGRAMS

D I G E S T

Fiscal year 1981 reductions in force and resignations at the Department of Energy resulted in a loss of management and staff continuity and monitoring ability for State and Local Assistance Programs. It resulted also in a loss of management and staff continuity and a high attrition rate in Conservation and Renewable Energy Research and Development Programs. Although fiscal year 1982 funding for Conservation and Renewable Energy Programs was reduced by about 40 percent, the Department, in addition to administering fiscal year 1982 funds, must also administer and monitor contracts and grants made from prior years funds.

Because of the short time frame for this review and report, GAO was unable to perform any independent evaluation of the impact of staffing changes on the programs. The report's analysis and conclusions regarding the implications of the staffing changes for program administration and management are based primarily on statements of program officials.

STATE AND LOCAL ASSISTANCE PROGRAMS

The Office of State and Local Assistance Programs administers five nationwide programs for implementing energy conservation measures. In addition to headquarters personnel, the Office uses field staff. Headquarters staff was reduced from 73 to 54 persons by April 30, 1982. Of the 54 staff, 24 were newly assigned to the Office's three divisions. All seven branch chiefs were replaced and field staff directly involved in administering the Office's programs was reduced to 109 persons, a reduction of 52 percent.
(See p. 6.)

Program officials indicated that as a result of the staffing changes, there was a loss of continuity in top management and staff. The retraining of staff into new positions was a major problem, and there was a loss of experienced top management due to the replacement of all branch chiefs.
(See p. 10.)

Another result was reduced monitoring and evaluation of programs by the 10 field offices. In recent reports on two State and Local Assistance Programs covering 1979 to 1980, GAO reported that program monitoring was limited due to insufficient staffing. As a result of a 52-percent reduction in field staffing, the Department's monitoring capabilities have been further reduced.

Although the Department is attempting to supplement its field monitoring capabilities by contracting for monitoring services, GAO does not believe that the reduced field staff plus the contract monitoring has been or will be sufficient to provide adequate monitoring in all field locations during fiscal year 1982. GAO is also uncertain whether the overall level of monitoring will be sufficient during fiscal year 1983. (See p. 18.)

During the major portion of fiscal year 1982, much of the greatly reduced field staff time has been and will be devoted to reviewing and awarding grants. As a result, program monitoring has been limited. Contract monitoring coverage included one program by eight field offices, one program by seven field offices, and one program by five field offices. However, for several of these field offices, contract monitoring of two programs either did not begin until June 1982 or will not begin until the last quarter of fiscal year 1982. For field offices not having contract monitoring of these three programs and for the remaining two programs, the Department was relying on reduced field staff for monitoring.

CONSERVATION AND RENEWABLE ENERGY RESEARCH AND DEVELOPMENT PROGRAMS

The Offices of the Deputy Assistant Secretary for Conservation and the Deputy Assistant Secretary for Renewable Energy are responsible for the management and direction of Conservation and Renewable Energy Programs for research, technology development and technology transfer. Most of the work is accomplished through contracts with private or public entities.

Fiscal year 1981 reductions in force and resignations in these two offices resulted in the following staff changes:

--By April 30, 1982, the Conservation staff was reduced from 266 to 146 persons, the Renewable Energy staff from 217 to 132 persons, and vacant positions in these offices totaled 44 and 60, respectively.

--For the seven major organizational elements into which these two Offices are divided, new staff ranged from 19 to 51 percent, with six organizations being above 30 percent. Almost half of the division and branch heads were replaced or the positions were vacant.

--Attrition has been high and is continuing. (See p. 14.)

Although some program officials stated that their offices were functioning well despite the staffing changes, all agreed that their functions would be adversely affected if further staffing losses are incurred. Other program officials said that the staffing changes have already affected the abilities of their offices to adequately manage their programs. (See p. 16.)

The percentage of staff losses and newly assigned staff were considerable and relatively uniform in all offices. Also, high attrition continues due to the uncertain future of the programs. Therefore, GAO believes that over the longer term the abilities of each of the offices to adequately manage their programs is likely to be adversely affected. (See p. 19.)

AGENCY COMMENTS

GAO performed this review at the request of the Chairman, Committee on Appropriations, United States Senate. The Committee desired the report in time for use in various upcoming congressional hearings involving the Department of Energy. Therefore, at the request of the Chairman, GAO did not take the additional time needed to obtain agency comments on the matters discussed in this report.

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ABBREVIATIONS

DAS	Deputy Assistant Secretary
DOE	Department of Energy
GAO	General Accounting Office
R&D	research and development
RIF	reductions in force

CHAPTER 1

INTRODUCTION

In a May 10, 1982, letter, the Chairman, Committee on Appropriations, United States Senate, expressed concern over the potential impacts of staff reductions on the administration of numerous federally funded conservation and renewable energy programs. The Chairman requested that we undertake a review of the staffing of the Department of Energy's (DOE) Conservation and Renewable Energy Programs.

This report contains (1) data on overall staffing trends for the Office of the Assistant Secretary for Conservation and Renewable Energy, (2) analysis of staffing changes as a result of the fiscal year 1981 reductions in force (RIF) and resignations in the Assistant Secretary's three major program offices and in the field offices administering State and Local Assistance Programs, and (3) analysis of the implications of these staffing changes for the administration and management of the programs of these offices.

We previously issued a report to the Chairman, Subcommittee on Oversight and Investigations, House Committee on Energy and Commerce, concerning, among other things, whether the RIF involving the Office of the Assistant Secretary for Conservation and Renewable Energy was conducted in accordance with RIF laws and regulations. 1/ We concluded that DOE did not violate any RIF laws or regulations.

BACKGROUND

The President's Economic Recovery Program includes cutting Government expenditures, which also reduces considerably the number of employees within executive Federal agencies. As part of this program, the Office of Management and Budget cut the fiscal year 1981 personnel ceilings for DOE from 21,500 to 20,300--a total of 1,200 positions. To meet the reduced ceiling, a number of DOE offices, including the Office of the Assistant Secretary for Conservation and Renewable Energy, conducted RIFs. Separation of employees was effective on or before September 30, 1981. In addition, numerous employees were shifted to different positions and/or organizations within the Assistant Secretary's office. This was generally accomplished during October 1981.

Fiscal year 1982 funding for Conservation and Renewable Energy Programs was reduced by about 40 percent from the fiscal year 1981 funding level. In addition to administering fiscal year 1982 funds, however, DOE must also administer and monitor

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1/"Department of Energy's Fiscal Year 1981 Reductions in Force," FPCD-82-33, Mar. 18, 1982.

contracts and grants made from prior years funds. For example, some State and Local Assistance Programs grants made in fiscal year 1981 may not be expended by grantees until fiscal year 1982. Therefore, a direct correlation cannot be made between the percentage of the funding reduction and the percentage of the staff reduction.

The Office of the Assistant Secretary for Conservation and Renewable Energy formulates and directs programs designed to increase the production of renewable energy and improve the energy efficiency of transportation, buildings, industrial, and community systems and related processes through support of research, development, and demonstration activities. It also has responsibility for administering statutorily mandated assistance programs which provide financial assistance for State energy planning, capacity building, weatherization of housing owned by the poor and disadvantaged, and the implementation of energy conservation measures by schools and hospitals, units of local government, and public care institutions. The Office also provides management and administrative support to the Office of Alcohol Fuels. In addition, it is responsible for coordinating and overseeing the operations of five power marketing administrations.

In carrying out these responsibilities, the Assistant Secretary exercises executive direction over the following organizational elements:

--Office of the Deputy Assistant Secretary for Conservation;

--Office of the Deputy Assistant Secretary for Renewable Energy;

--Office of State and Local Assistance Programs;

--Office of Power Marketing Coordination and five power marketing administrations; and

--Office of Policy and Management.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our primary objectives were to (1) present overall data on staffing trends for the Office of the Assistant Secretary for Conservation and Renewable Energy and (2) attempt to determine the implications of significant staffing changes for the administration and management of selected Conservation and Renewable Energy Programs.

The review was performed in accordance with GAO's current "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions."

At DOE headquarters, we obtained and analyzed staffing data for the period from fiscal years 1980 to 1982. We obtained this data from the Office of the Assistant Secretary and from each of the 10 organizational elements in the 3 major program offices under review. 1/ These three offices account for almost 90 percent of the staffing losses incurred by the Office of the Assistant Secretary for Conservation and Renewable Energy. To determine the implications of the staffing changes for the programs of the three major operating offices, we interviewed officials of the 10 organizational elements into which these offices are organized. For each of the 10 field locations, we interviewed by telephone responsible officials to obtain data on staffing and program monitoring.

Because of the short time frame for this review and report, we were unable to perform any independent evaluation of the impact of staffing changes on the programs. The report's analysis and conclusions regarding the implications of the staffing changes for program administration and management are based primarily on statements of program officials.

We recently issued reports on two programs and noted problems in program monitoring due to insufficient staff prior to the RIF. 2/ These reports were used in our analysis and conclusions on the implications of the staffing changes for State and Local Assistance Programs.

The Chairman's office desired the report in time for use in various upcoming congressional hearings involving DOE. Therefore, at the request of the Chairman's office, we did not take the additional time needed to obtain agency comments on the matters discussed in this report.

1/The Office of State and Local Assistance Programs, which is organized into three program divisions; the Office of the Deputy Assistant Secretary for Conservation, which is organized into four program offices; and the Office of the Deputy Assistant Secretary for Renewable Energy, which is organized into three program offices.

2/"Uncertain Quality, Energy Savings, and Future Production Hamper the Weatherization Program," EMD-82-2, Oct. 26, 1981; and "State Energy Conservation Program Needs Reassessing," EMD-82-39, Apr. 21, 1982.

CHAPTER 2

STAFFING CHANGES AND THEIR EFFECTS

As shown in table 1, the number of headquarters staff on board for the Office of the Assistant Secretary for Conservation and Renewable Energy in the period from July 6, 1981, to April 30, 1982, was reduced by 250. 1/ Of the 421 staff on board at April 30, 1982, 176 (42 percent) were newly assigned to their organizational element since the RIF. 2/ In addition to the on-board staff, as of April 30, 1982, 127 authorized positions were vacant.

In the following two sections we discuss the staffing changes and their effects for the three major operating offices under the Assistant Secretary for Conservation and Renewable Energy--the Office of State and Local Assistance Programs, and the Offices of the Deputy Assistant Secretary for Conservation (DAS for Conservation) and Deputy Assistant Secretary for Renewable Energy (DAS for Renewable Energy).

The overall results of the staffing changes on the programs of these three offices was (1) a loss of continuity in top management and staff and monitoring ability for the State and Local Assistance Programs and (2) a loss of continuity in top management and staff and a continuing high attrition rate affecting the management of Conservation and Renewable Energy Research and Development (R&D) Programs.

LOSS OF MANAGEMENT CONTINUITY AND MONITORING ABILITY FOR STATE AND LOCAL ASSISTANCE PROGRAMS

As of April 30, 1982, the Office of State and Local Assistance Programs was operating with 26 percent less staff than prior to the RIF, and 44 percent of the staff were newly assigned to the

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1/Staffing of the Office of Assistant Secretary for Conservation and Renewable Energy as of October 6, 1980, totaled 593. Because of an April 1981 reorganization, however, this staffing data is not comparable to subsequent data. Comparable data, as shown in table 1, was first readily available as of July 6, 1981.

2/According to DOE officials, 176 staff have been moved among Conservation and Renewable Energy's 14 major offices, the Research and Technical Integration Staff, and 2 divisions within the Office of Budget and Management. Other staff were also moved among the divisions and branches within the offices. Examples of this are discussed in subsequent sections of chapter 2.

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Table 1

Assistant Secretary for Conservation and Renewable Energy

Staffing Trends - July 6, 1981 to April 30, 1982

	Personnel on board as of (note a)		
	July 6, 1981	Oct. 1, 1981	Apr. 30, 1982
Office of the Assistant Secretary for Conservation and Renewable Energy	7	8	8
Office of Policy and Management	83	63	52
Office of Alcohol Fuels	12	17	15
Office of Power Marketing Coordination	13	15	14
Office of the Deputy Assistant Secretary for Conservation	266	172	146
Office of the Deputy Assistant Secretary for Renewable Energy	217	160	132
Office of State and Local Assistance Programs	73	58	54
Totals	671	493	421

a/Includes full time permanent staff only.

Source: DOE Conservation and Renewable Energy Strength Reports.

Office's divisions. Field staff, which administer the Office's programs, were operating with about 52 percent less staff. Program officials indicated that the major results of these changes are a loss of (1) continuity in headquarters management and staff and (2) ability to provide adequate program monitoring.

The mission of the Office of State and Local Assistance Programs is to plan, develop, and administer nationwide programs for implementation of energy conservation measures at the State and local level. In support of this mission, this Office performs the following major activities:

--Development and implementation of outreach efforts to encourage energy conservation and the use of renewable resources in a broad range of sectors, and to ensure that States and localities pursue activities which result in efficient planning and management of energy resources.

--Development and implementation of a national program to weatherize the homes of low income persons.

--Development and implementation of national programs designed to increase the level of energy conservation in school and hospital buildings, buildings owned and operated by units of local government, and buildings which house public care institutions.

--Development and implementation of national programs to promote the development of energy-related technologies and techniques, provide technical and financial assistance to inventors and innovators, and nationally disseminate information on these technologies and techniques.

In addition to the headquarters staff, the Office uses staff located in DOE operations offices to administer its programs. The programs are generally administered on a decentralized basis with DOE operations offices in the field serving as the primary interface with the State and local governments.

Staffing changes as a result of the RIF and resignations

The headquarters on-board staff of the Office of State and Local Assistance Programs as of July 6, 1981, was 73 persons. By April 30, 1982, this staff was reduced to 54 persons (a 26 percent reduction). Also, as of April 30, 1982, 10 authorized positions were vacant. The Office is organized into three divisions (see app. I), and of the 54 staff, only 30 were assigned to the same division they were in prior to the RIF. The remaining 24 staff (44 percent) were new to their divisions, having been reassigned

from different divisions within the Office or other organizations under the Assistant Secretary.

As shown in table 2, the impacts of the staffing changes were considerable and relatively uniform among the Office's three operating divisions. The loss of experienced pre-RIF staff ranged from 56 to 61 percent. These losses were, in part, offset by assignment of staff from different organizations under the Assistant Secretary. New staff in these 3 divisions ranged from 42 to 50 percent of the April 30, 1982, staff.

The Office's three divisions are organized into a total of seven branches in which the following staffing changes occurred.

--All of the seven branch chiefs were replaced by new staff.

--As of April 30, 1982, 32 staff were downgraded. Program officials stated that many of these individuals have the same level of responsibility that they had prior to the RIF.

--In addition to the 44 percent of staff newly assigned to the Office's divisions, staff were also shifted between and within a division's branches. For example, in the Institutional Conservation Programs Division, 8 of the 16 member staff were new to the Division, and only 3 of the 8 remaining staff members held the same positions they held prior to the RIF.

In addition to impacting on headquarters staff, the fiscal year 1981 RIF also affected field staff. The Office's programs are generally administered by staff located in 10 field offices (operations offices and/or support offices located within the areas covered by operations offices). Field staff are responsible for reviewing and approving annual grant applications, awarding grants, providing technical assistance, reviewing periodic financial and progress reports from grantees, and monitoring and evaluating the operation of the programs at the State and local levels.

The field staff directly involved in administering and monitoring the Office's programs was reduced to 109 persons, about a 52 percent reduction from pre-RIF levels. 1/ As shown in table 3, the reductions at the individual field offices ranged from 29 to 68 percent.

1/Does not include procurement, financial, legal and managerial staff located in operations or support offices who support all programs.

Table 2

Office of State and Local Assistance Programs
Effects of the Fiscal Year 1981 RIF and Resignations
on Staffing of the Three Operating Divisions
as of April 30, 1982

Division	Staff reductions by number and as a percent of pre-RIF staff		Composition of staff by number and as a percent of April 30, 1982 staff			Vacancies by number and as a percent of authorized staff	
	Pre RIF Staff	Total Reduction	Pre-RIF staff remaining	Newly assigned to division	Total staff 4/30/82	Vacancies	Authorized staff
Institutional Conservation Programs	18 (100)	10 (56)	8 (50)	8 (50)	16 (100)	2 (11)	18 (100)
Weatherization Assistance Programs	17 (100)	10 (59)	7 (54)	6 (46)	13 (100)	1 (7)	14 (100)
Energy Management and Extension	36 (100)	22 (61)	14 (58)	10 (42)	24 (100)	4 (14)	28 (100)

Source: GAO analysis of DOE staffing data.

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Table 3

Staffing Reductions in DOE Field Offices

Administering State and Local Assistance Programs

Operations office	Staff location	Staffing			
		Prior to RIF	As of 4/30/82	Reduction Number	Reduction Percent
Albuquerque	Dallas, Tex.	20	7	13	65
	Kansas City, Mo.	17	12	5	29
Chicago	Chicago, Ill.	31	15	16	52
	Boston, Mass.	22	11	11	50
	New York, N.Y.	21	12	9	43
	Philadelphia, Pa.	25	12	13	52
Idaho Falls	Denver, Col.	22	a/ 7	15	68
Richland	Richland, Wash.	22	9	13	59
San Francisco	San Francisco, Ca.	24	14	10	42
Savannah River	Atlanta, Ga.	21	10	11	52
Total		225	109	116	52

a/Authorized staff of 12. Attempt being made to fill vacancies.

Source: GAO analysis of data obtained from DOE field office officials.

Effects of the staffing changes on program operation

State and Local Assistance Program officials indicated that the major results of the staffing reductions and changes were a loss of (1) continuity in the top management and staff of the Office's three operating divisions and (2) ability to provide adequate program monitoring. They also indicated that because of the uncertain future of the programs, personnel are looking for new jobs.

As previously noted, the RIF resulted in the replacement of all seven branch chiefs in the Office's three divisions. As a result, there was a loss of experienced top management. For example, one division director, whose two branch chiefs were replaced, stated that the new branch chiefs were unfamiliar with the programs they were directing and with the director's management style. However, these new branch chiefs were managing staff who had worked in the program area for several years and had a better knowledge of program operations than their new supervisors.

Numerous other staffing shifts occurred. For example, in the Institutional Conservation Programs Division, 13 of the 16 current staff members were new to the Division or to their position since the RIF. A Division official stated that retraining staff into their new positions was a big problem.

Program officials stated that the major result of the RIF is reduced monitoring and evaluation of programs by the field offices. In recent reports on two State and Local Assistance Programs covering the period 1979 to 1980, we reported DOE on-site monitoring of the programs was limited due to insufficient staff. 1/ Because field staff was reduced since 1981 by about 52 percent, DOE monitoring capabilities have been further reduced. However, DOE is attempting to supplement its field monitoring capabilities by contracting for monitoring services for certain programs.

According to program officials, the top priority of the field staff since DOE's appropriation was enacted in December 1981 has been in reviewing and awarding grant applications. Much of the effort in the past several months has concentrated on awarding grants under the Weatherization Assistance and State Energy Conservation Programs. Beginning in about July, a

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1/"Uncertain Quality, Energy Savings, and Future Production Hamper the Weatherization Program," EMD-82-2, Oct. 26, 1981; and "State Energy Conservation Program Needs Reassessing," EMD-82-39, Apr. 21, 1982.

major field effort will be required to process grants under the Schools and Hospitals Program. As a result, program monitoring efforts have been reduced.

For example, the Atlanta field office, which is responsible for an eight State area, planned to monitor programs with its existing staff and did not plan to contract for monitoring services. An official of that office stated that monitoring to date and planned for fiscal year 1982 included:

--Schools and Hospitals Program - on-site visits made to six grantees and not much more monitoring planned this year.

--Weatherization Assistance Program - no monitoring to date, but hope to monitor States and some local agencies before the end of year.

--State Energy Conservation and Energy Extension Service Programs - on-site visit made to one State to date and plan to visit remaining States before the end of year.

In recent reports on the Low-Income Weatherization Assistance Program and the State Energy Conservation Program, covering the period 1979 to 1980, we reported a number of problems that were hampering the efficiency and effectiveness of the programs. 1/ One problem was DOE's limited on-site monitoring of the programs, which field officials attributed to insufficient staff.

In our report on the Weatherization Program, we noted that (1) the number of homes weatherized continued to be overstated, (2) incomplete or inadequate work was done in homes weatherized, (3) energy savings were uncertain, (4) inadequate financial controls existed at local agencies administering weatherization programs, and (5) improvements were needed in State financial controls and monitoring systems. Correction of many of these problems requires periodic monitoring by DOE. However, we also reported that DOE was relying almost completely on States to monitor local agency subgrantees, and DOE on-site monitoring of the State systems and reports was very limited, with most monitoring being conducted by telephone or through correspondence.

In our report on the State Energy Conservation Program, we noted that a need exists (1) to reevaluate the program's progress

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1/"Uncertain Quality, Energy Savings, and Future Production Hamper the Weatherization Program," EMD-82-2, Oct. 26, 1981; and "State Energy Conservation Program Needs Reassessing," EMD-82-39, Apr. 21, 1982.

to establish realistic and attainable goals and to concentrate on program measures of proven effectiveness and (2) to ensure accurate reporting of energy savings. We also noted that deficiencies existed in fiscal, planning, and progress reporting systems. Correction of these problems requires monitoring and evaluation by DOE field staff. However, we also noted that DOE monitoring consisted primarily of desk audits of State reports and even these desk audits were limited in some instances to a portion of the reports. We also cited instances where DOE site visits to States had not been made in 2 to 4 years. DOE field officials told us that this was the result of insufficient staff.

Therefore, if the monitoring of these programs was inadequate in the 1979-1980 period due to insufficient field staff, and field staff has been reduced since then by about 52 percent, DOE monitoring of these programs in fiscal year 1982 is likely to have deteriorated further.

DOE is attempting to supplement its field monitoring capabilities by contracting for monitoring services for certain programs. According to a program official, each operations office assessed its in-house capability to adequately monitor programs, and was authorized to fill any shortcoming in capability through contracting for monitoring services. Monitoring of programs through contractors or use of their own staff during fiscal year 1982 in the 10 field offices was as follows.

--For the State Energy Conservation and Energy Extension Service Programs, all 10 field offices are relying on their own reduced staffs.

--For the Weatherization Assistance Program, five field offices are relying on their own reduced staffs. The remaining five field offices planned to monitor the program through contractors. Under the contract proposal for four of these field offices, monitoring was not scheduled to begin until the last quarter of fiscal year 1982 and reporting by the contractors was not scheduled to begin until the first quarter of fiscal year 1983.

--For the Schools and Hospitals Program, one field office is relying on its own staff and one field office is contracting for financial compliance monitoring only. The remaining eight offices are contracting for monitoring services. The level of contract support varies. In some instances, DOE field staff will accompany contractor staff on monitoring visits, and in some instances, contractors will also provide a technical review of grant applications. Four of these eight offices had similar contracts prior to the RIF and the funding of some of these contracts in fiscal year 1982 increased

significantly. Three field offices that did not have contract monitoring prior to the RIF, did not enter into contracts until June 1982. Officials of these three field offices stated that in the period from the RIF to June 1982, their offices did little or no monitoring of the program.

--For the Appropriate Technology Program, three field offices are relying on their staffs, and the remaining seven field offices are contracting for monitoring services.

In its fiscal year 1983 budget request, the administration proposes the termination of all State and Local Assistance Programs. Therefore, because of the uncertain status of these programs and a possible further RIF, program officials indicated that staff are actively looking for other employment.

LOSS OF MANAGEMENT CONTINUITY AND HIGH ATTRITION IN CONSERVATION AND RENEWABLE ENERGY R&D PROGRAMS

As of April 30, 1982, the DAS for Conservation and the DAS for Renewable Energy were operating with 45 and 39 percent less staff, respectively, than prior to the RIF. Also 36 percent of the DAS for Conservation staff were newly assigned to its four operating offices, and 46 percent of the DAS for Renewable Energy staff were newly assigned to its three operating offices (see app. I). Although some program officials stated that their offices were functioning well despite the staffing changes, others stated that the changes had affected their ability to adequately manage their programs. The continuing uncertainty as to the future of the programs is resulting in high attrition rates and inability to fill vacancies. All program officials agree that if further staff losses are incurred, their functions would be adversely affected.

The DAS for Conservation is responsible for ensuring that conservation technologies make significant contributions in reducing energy consumption in the transportation, buildings and community systems, industrial, electrical utility, energy storage, and commercial sectors. The major activity is to explore longer-range, high-risk, high pay-off technology options through research and development programs. Operational strategies include research and development efforts and technology transfer efforts targeted toward the achievement of conservation in end-use systems and in reliable, cost-effective, environmentally acceptable electric utility and energy storage systems. Most of the research and development work is accomplished through contracts with private or public entities. The DAS for Renewable Energy is responsible

for managing 10 major technologies in three key program offices. These offices are responsible for research management, technology development, and technology transfer to the private sector. Similar to the conservation area, most of the research and development work is accomplished through contracts with private or public entities.

Staffing changes as a result of the RIF and resignations

The on-board staff of the DAS for Conservation and the DAS for Renewable Energy as of July 6, 1981, was 266 and 217 persons, respectively. By April 30, 1982, these staffs were reduced to 146 and 132, respectively. As of April 30, 1982, the DAS for Conservation had 44 vacant positions, and the DAS for Renewable Energy had 60 vacant positions.

As shown in table 4, the impacts of the staffing changes on the DAS for Conservation's and DAS for Renewable Energy's operating offices were considerable and relatively uniform in all but one instance. In the four operating offices of the DAS for Conservation, losses of experienced pre-RIF staff ranged from 53 to 77 percent, with three offices in the 53 to 58 percent range. These losses were, in part, offset by assignment of staff from different organizations under the Assistant Secretary. New staff in these four offices ranged from 19 to 49 percent of the April 30, 1982, staff, with three offices being above 30 percent.

The DAS for Conservation's four operating offices are organized into 11 divisions and 22 branches in which the following staffing changes occurred.

--The heads of 6 divisions and 14 branches were replaced or the positions were vacant.

--In addition to the 19 to 49 percent of staffing newly assigned to the four offices, staff were also shifted between and within the offices' divisions and branches. For example, in the Office of Buildings Energy R&D, of the 55 member staff as of April 30, 1982, 27 were new to the Office, and 10 of the remaining staff were assigned to different divisions after the RIF.

In the three major operating offices of the DAS for Renewable Energy, losses of experienced pre-RIF staff ranged from 60 to 71 percent. New staff as of April 30, 1982, in these three offices ranged from 42 to 51 percent. The three operating offices are organized into 9 divisions and 19 branches; the heads of 2 offices, 3 divisions, and 10 branches were replaced or the positions were vacant.

Table 4

Offices of the DAS for Conservation and for Renewable Energy
Effects of Fiscal Year 1981 RIF and Resignations
on Staffing of the Seven Operating Offices
as of April 30 1982

Operating Office	Staff reductions by number and as a percent of pre-RIF staff		Composition of staff by number and as a percent of April 30, 1982 staff			Vacancies by number and as a percent of authorized staff	
	Staff on board 7/6/81	Total reduction	Pre-RIF staff remaining	Newly assigned to office	Total staff 4/30/82	Vacancies	Authorized staff
DAS for Conservation							
Buildings Energy R&D	121 (100)	93 (77)	28 (51)	27 (49)	55 (100)	20 (27)	75 (100)
Energy Systems Research	40 (100)	21 (53)	19 (66)	10 (34)	29 (100)	6 (17)	35 (100)
Vehicle and Engine R&D	43 (100)	25 (58)	18 (69)	8 (31)	26 (100)	7 (21)	33 (100)
Industrial Programs	57 (100)	31 (54)	26 (81)	6 (19)	32 (100)	10 (24)	42 (100)
DAS for Renewable Energy							
Solar Heat Technology	58 (100)	39 (67)	19 (56)	15 (44)	34 (100)	21 (38)	55 (100)
Renewable Technology	72 (100)	51 (71)	21 (49)	22 (51)	43 (100)	21 (33)	64 (100)
Solar Electric Technologies	63 (100)	38 (60)	25 (58)	18 (42)	43 (100)	17 (28)	60 (100)

Source: GAO analysis of DOE staffing data.

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Vacancy rates as of April 30, 1982, ranged from 17 to 27 percent for the four offices under DAS for Conservation and from 28 to 38 percent for the three major offices under the DAS for Renewable Energy. Over half of all vacancies have occurred due to resignations since the RIF. According to program officials, resignations are continuing and show no signs of lessening. In fiscal year 1982 through April 30, 1982, 26 persons in Conservation and 28 persons in Renewable Energy have resigned.

Implications of staffing changes and attrition for effective program management

Although some program officials stated that their offices were functioning well despite the staffing changes, all agreed that their functions would be adversely affected if further staffing losses are incurred. Other program officials said that the staffing changes have affected the abilities of their offices to adequately manage their programs. Among the major problems cited were (1) the loss of continuity and expertise in top management and staff and (2) continuing uncertainty as to the future of the programs, resulting in high attrition rates and inability to fill vacancies.

Program officials in four of seven offices indicated that their offices were still functioning reasonably well, but in some instances with less efficiency and experience than they had been prior to the RIF. For example, one office director stated that his office was still functioning as a viable organization, but that considerable time must be spent on staffing problems and retraining rather than program management. Another office director stated that his office lost a considerable number of good staff due to the RIF and resignations. He said that although the program's budget was considerably reduced in fiscal year 1982, the office had about $33 million in previous contracts to manage. Because of the loss of continuity and experience, he said that the efficiency of operations was down.

Program officials in these four offices indicated they lost experienced staff due to the RIF and attrition. They stated that further staff losses will adversely affect their program operations. Overall attrition for the Conservation and Renewable Energy Programs has been running ahead of what was previously projected by program officials.

Program officials in the remaining three offices indicated that the staffing changes had already affected the abilities of their offices to effectively manage their programs. Among the problems cited were the following:

--Two branches in a division of the Office of Energy Systems Research were authorized a total of 10 staff after the RIF, a reduction of 3. However, as of May 12, 1982, only 5 persons were working in these two branches. Prior to the RIF, each staff member managed from 15 to 20 contracts, while currently each manage from 80 to 90 contracts. A program official stated that as a result, the contracts are not being effectively managed.

--A program official of the Office of Renewable Technology stated that the technical capability of his office has been diminished. There was an 80 percent turnover among professional managers, and of 51 staff on board at December 10, 1981, only 13 were in the same position as prior to the RIF. He specifically cited one division as "not coming together well" as it needed stronger technical staff.

Program officials stated that efficient program operation was primarily dependent upon eliminating the instability and uncertainty of future Conservation and Renewable Energy Program staffing and funding levels. This uncertainty has created anxiety within DOE as evidenced by the attrition of Conservation and Renewable Energy Program staff. According to program officials, the problem is especially acute in offices with professional engineers and scientists.

Although additional positions are authorized within the offices, program officials do not expect to fill these vacancies. Because of the uncertainty over the future, individuals can only be considered for a vacancy if they, in essence, would not displace any other staff during a possible future RIF. Thus, offices have been directed to fill vacancies only with staff from within the Office of the Assistant Secretary for Conservation and Renewable Energy or with temporary appointments. Because of the technical requirements of many of the vacancies, program officials indicated that the positions will probably not be filled.

CHAPTER 3

CONCLUSIONS

According to program officials, the fiscal year 1981 RIF and resignations had the following major results.

--In the management of State and Local Assistance Programs, there was a loss of continuity in headquarters top management and staff and ability to provide adequate program monitoring due to reduced field staff.

--In the management of Conservation and Renewable Energy R&D Programs, there was a loss of continuity and expertise in top management and staff. Also, due to the continuing uncertainty as to the future of the programs, there was a continuing high attrition rate and an inability to fill vacancies.

STATE AND LOCAL ASSISTANCE PROGRAMS

Overall, 44 percent of the headquarters staff as of April 30, 1982, were newly assigned to their divisions since the RIF, and all seven of the branch chiefs were newly assigned. This created problems such as the retraining of staff into new positions, and the loss of experienced top management.

In recent reports on two State and Local Assistance Programs, we reported on a number of areas needing management attention, and noted that program monitoring prior to the RIF was limited due to insufficient field staff. 1/ However, as a result of a 52 percent reduction in field office staffing, program monitoring efforts have been reduced.

Although DOE is attempting to supplement its field monitoring capabilities by contracting for monitoring services for certain programs, we do not believe that the reduced DOE staff plus the contract services has been or will be sufficient to provide adequate monitoring in all field locations during fiscal year 1982. During the major portion of fiscal year 1982, much of the greatly reduced field staff time has been and will be devoted to reviewing and awarding grants. As a result, program monitoring has been limited as follows:

1/"Uncertain Quality, Energy Savings, and Future Production Hamper the Weatherization Program," EMD-82-2, Oct. 26, 1981; and "State Energy Conservation Program Needs Reassessing," EMD-82-39, Apr. 21, 1982.

--For the State Energy Conservation and Energy Extension Service Programs, all 10 field offices are relying on their reduced staffs.

--For the Weatherization Assistance Program, five field offices are relying on their reduced staffs. Five field offices are relying on contract monitoring, but in four of these offices, contract monitoring will not begin until the last quarter of fiscal year 1982 and results will not be known until early in fiscal year 1983.

--For the Schools and Hospitals Program, eight field offices are relying on contract monitoring. Four of these offices had similar contracts prior to the RIF and contract funding in fiscal year 1982 significantly increased for some. However, three field offices did not initiate contract monitoring until June 1982 and had little or no monitoring since the RIF, one field office was relying on its reduced staff for monitoring, and one field office was contracting for financial compliance monitoring only.

By fiscal year 1983, the above noted contract monitoring should be fully implemented. However, we have not examined the scope and adequacy of DOE's contract monitoring and whether, in view of the significant staff reductions, it will provide adequate monitoring coverage. Therefore, we are uncertain whether the overall level of monitoring will be sufficient during fiscal year 1983.

CONSERVATION AND RENEWABLE ENERGY R&D PROGRAMS

Overall, staffing losses for the DAS for Conservation and the DAS for Renewable Energy were about 40 percent. About 36 percent and 46 percent, respectively, of the staff of those two offices as of April 30, 1982, were newly assigned since the RIF, including the replacement of numerous division and branch heads. Attrition continues to be a problem, and a total of 104 positions were vacant in the Offices of the DAS for Conservation and the DAS for Renewable Energy.

Program officials of four of seven offices indicated that their offices were still functioning reasonably well, but in some instances with less efficiency and experience than they were prior to the RIF. Program officials of the remaining three offices indicated that the staffing changes had already affected their abilities to effectively manage their programs. All officials agreed that their functions would be adversely affected by any further staffing losses.

The percentage of staff losses and assignment of new staff were significant and relatively uniform in all but one instance. Also, the relatively high attrition rate continues due to the uncertain future of the programs. Therefore, we believe that over the longer term the abilities of each of the offices to adequately manage their programs is likely to be adversely affected.

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APPENDIX I

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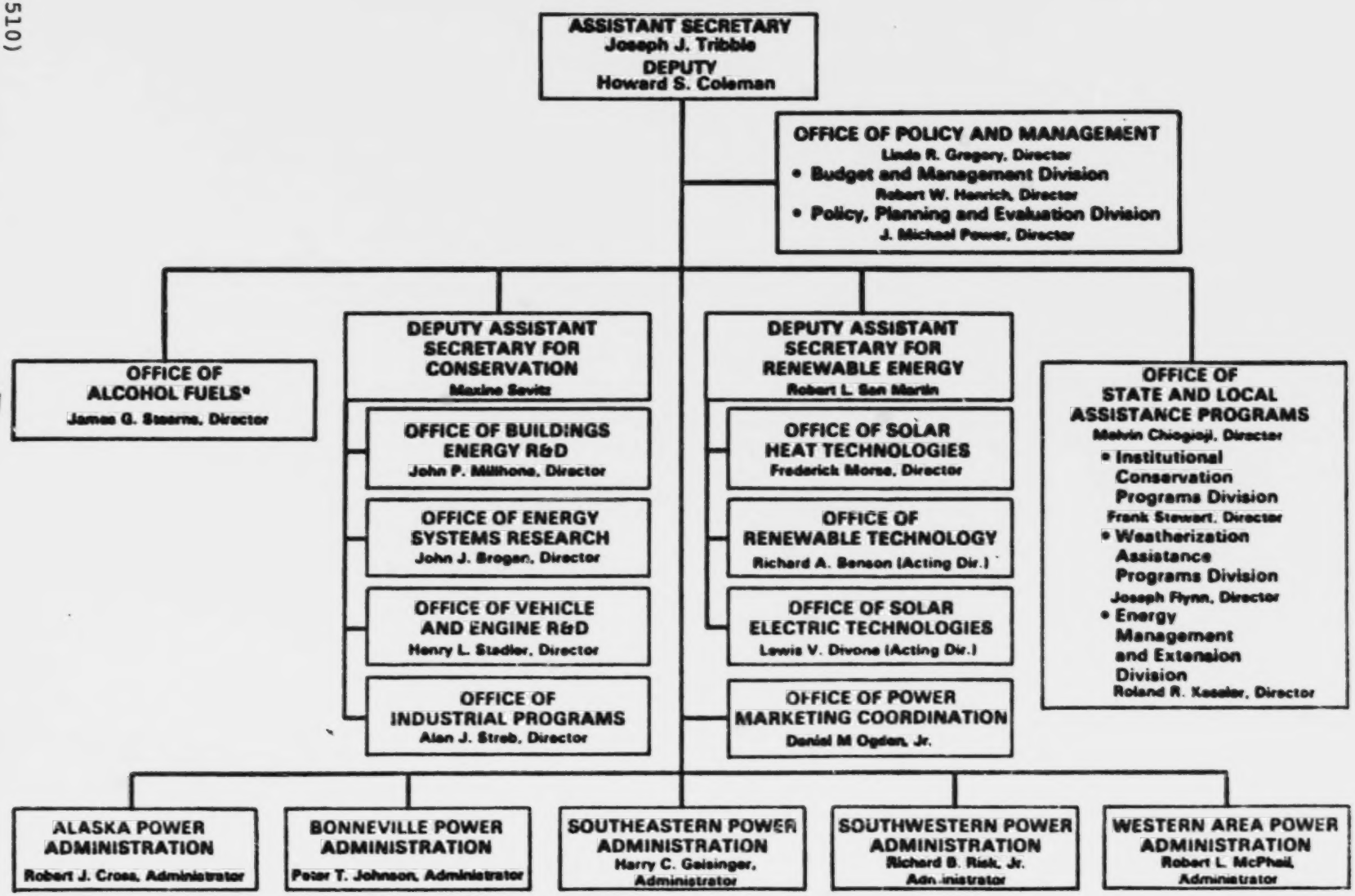
APPENDIX I

Office of the Assistant Secretary for Conservation and Renewable Energy


ASSISTANT SECRETARY
Joseph J. Tribble
DEPUTY
Howard S. Coleman
OFFICE OF POLICY AND MANAGEMENT
Linda R. Gregory, Director
• Budget and Management Division
Robert W. Henrich, Director
• Policy, Planning and Evaluation Division
J. Michael Power, Director
OFFICE OF ALCOHOL FUELS*
James G. Stearns, Director
DEPUTY ASSISTANT SECRETARY FOR CONSERVATION
Maxine Savitz
OFFICE OF BUILDINGS ENERGY R&D
John P. Millhone, Director
OFFICE OF ENERGY SYSTEMS RESEARCH
John J. Brogan, Director
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Henry L. Stadler, Director
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Robert L. San Martin
OFFICE OF SOLAR HEAT TECHNOLOGIES
Frederick Morse, Director
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Richard A. Benson (Acting Dir.)
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OFFICE OF POWER MARKETING COORDINATION
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SOUTHWESTERN POWER ADMINISTRATION
Richard B. Rick, Jr. Administrator
WESTERN AREA POWER ADMINISTRATION
Robert L. McPhail, Administrator

* Reports directly to the Secretary on matters relating to P.L. 96-294.

March 1982

Source: Office of the Assistant Secretary for Conservation and Renewable Energy, DOE.